

Housing for Healthy California (HHC) Program

Draft Guidelines Workshop



California Department of Housing and Community Development

November 2018



Background

- AB74 signed into law in September 2017.
- Authorizes the Department of Housing and Community Development to create supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services Medi-Cal program.
- Goal – is to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, nursing home stays and use of corrections systems and law enforcement resources as the point of health care provision for people who are chronically homeless or homeless and a high-cost health user.



Timeline

Draft Guidelines Release	November 8, 2018
Public Comments Period	11/8/18 – 12/8/18
Final Guidelines Release	December 2018
Notice of Funding Availability Release	Spring 2019



HHC Program Overview

Article I. National Housing Trust Funds Allocation

- Competitively to **developers** for operating reserve grants and capital loans.

Article II. Building Homes and Jobs Trust Fund Allocation

- Competitively to **counties** for acquisition, new construction or reconstruction and rehabilitation, administrative costs, capitalized operating subsidy reserves (COSR) and rental subsidies and rental assistance for existing and new supportive housing opportunities to assist HHC's Target Population.



Article I. National Housing Trust Funds Allocation



Minimum Requirements §102

A. Eligible Applicants

1. An organization, agency, or other entity (including a public housing agency, a for-profit entity, or a nonprofit entity) that is an Owner or developer meeting the Recipient definition in 24 CFR 93.2.
2. Applicant with no members of the development team currently federally debarred or suspended.

B. Financial Feasibility

1. Meet requirements of Section 105, Occupancy and Income Requirements and Section 106, Rent Limits in the Guidelines (GL).
2. Must prove Fiscal Integrity.



Minimum Requirements §102

C. Experience

Project Team	Minimum Requirements
Applicant (owner or developer)	<ul style="list-style-type: none">• 2 permanent supportive housing projects or• 2 affordable rental housing projects in the last five years.
Lead Service Provider (LSP)	<ul style="list-style-type: none">• 3+ years of experience servings persons who qualify as members of the Target Population, and• Includes comprehensive case management in supportive housing
Property Manager	<ul style="list-style-type: none">• 3+ years experience serving persons who qualify as members of the Target Population in supportive housing.
Experience must be documented through: Contracts with public agencies, housing owners or foundations for services provided to at least 10 households at any one time.	



Minimum Requirements §102

D. Site Control

Site Control must be in the name of the Applicant or an entity controlled by the Applicant and meets the requirements of the Uniform Multifamily Housing Regulation (UMR) 25 CCR Section 8303.

- **Ownership interest may be demonstrated by:**
 - fee title
 - a leasehold interest
 - an enforceable option to purchase
 - a disposition and development agreement
 - an agreement giving the Sponsor exclusive rights to negotiate for acquisition
 - a land sales contract



Minimum Requirements §102

E. Integration

Project must meet all of the following:

- Assisted units must be integrated with other units
- Projects of **greater than 20 units**, the Department will fund no more than **49%**
- Applicants must certify that they will facilitate or provide regular community building activities and architectural design features that promote tenant interactions; and
- Supportive service plan and property management plan must document policies that promote participation by tenants in community activities, and impose no restriction on guests that are not otherwise required by other project funding sources.



Minimum Requirements §102

F. Article XXXIV

All projects shall comply with Article XXXIV and be subject to review and approval by the Department prior to the execution of the Department's Standard Agreement.



Minimum Requirements §102

G. Scattered Site Housing

Scattered site housing is permitted provided that the following conditions are all satisfied (consistent with 25 CCR Section 8303(b)) prior to the closing of the loan:

- All project sites in the Rental Housing Development must have a single owner and property manager;
- All Project sites shall be governed by one set of Program documents, which among other things, shall include similar tenant selection criteria, rent and income restrictions;
- If the Rental Housing Development has an operating reserve, there shall only be one operating reserves for all sites in the Project;
- There may be at most one lender with requirement payments senior to the Department's loan;



Minimum Requirements §102

G. Scattered Site Housing (continued)

- There must be a single audit and annual report that covers all Project sites;
- The Sponsor's obligations under the Department's Program documents must be secured by all Project sites, with lien priority relative to local public agency lenders determined in accordance with the Subordination Policy, 25 CCR Section 8315 and use of cash flow available for residual receipts loan payments determined in accordance with Use of Operating Cash Flow, 25 CCR Section 8314; and
- The Department must be named on insurance policies covering all Project sites, with coverage meeting Department requirements.



Minimum Requirements §102

H. Environmental Conditions

- All Projects must be free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to removed and cannot be mitigated (24 CFR 93.301(f)).

I. State and Local Requirements

Upon completion, all units of the Project must:

- Be on permanent foundation.
- Meet all applicable State and local code including requirements for minimum square footage and requirements related to maintaining the property in a safe and sanitary condition.



Minimum Requirements §102

J. Amenities

All Project sites must:

- Have reasonable accessibility to public transit, public schools, public parks or other public recreational facilities.
- Be within reasonable proximity to employment opportunities available to the tenant population.
- The development must give consideration to the hours that the services and amenities are available and the frequency, travel time, and cost of transportation to the tenants.



Minimum Requirements §102

K. Stacking Unit-Based Subsidies

- The use of multiple HCD funding sources on a single Assisted Unit is **prohibited**.
- May have funding from other Department programs (ex. Infill Infrastructure Grants (IIG) and Affordable Housing Sustainable Communities (AHSC)), provided that the funding assistance is to support units or site infrastructure and amenities other than the Assisted Units.



Minimum Requirements §102

L. Relocation

The Applicant of any project resulting in displacement of tenants shall be solely responsible for providing the assistance and benefits set forth in this subsection and in applicable local, state, and federal law, whichever is more stringent.

- All tenants of a property who are displaced as a direct result of the development shall be entitled to relocation benefits and assistance as provided in 24 CFR 93.352.
- The relocation plan or other relocation documentation shall be subject to the review and approval by the Department prior to the beginning of construction.



Minimum Requirements §102

M. Compliance

Applicant must comply with:

- 2 CFR Part 200; and
- if an Applicant is a local government Applicant, must be compliant with both the Housing Element and their annual progress report submittals.



Minimum Requirements §102

N. Application Requirements

Applications must include the following:

- Be on forms made available by the Department
- Resolution from governing board to apply for NHTF funds and amount requested does not exceed amount authorized
- A memorandum of understanding or commitment letter from either the LSP or a county department to make available to the project's HHC tenants case management and support services from one of the following:
 - County's Whole Person Care Pilot,
 - Health Homes Program, or
 - Other community-based health care services.



Minimum Requirements §102

N. Application Requirements (continued)

- Certification that residents of the housing development will be authorized to own or otherwise maintain one or more common household pets pursuant to the Pet Friendly Housing Act of 2017.
- Initial plan for providing supportive services based on the anticipated needs of the Target Population proposed to be served by the Project meeting the requirements outlined in Section 112.



Minimum Requirements §102

N. Application Requirements (continued)

- A property management plan that:
 - Utilizes a low-barrier tenant selection process;
 - Accepts referrals of those with the highest needs for available housing;
 - Implements Housing First practices;
 - Implements policies and practices to prevent evictions and to facilitate the implementation of reasonable accommodation policies; and
 - Implement policies and practices that comply with the Violence Against Women Act (Title VI-Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking – Section 601 – 603 and 81 CFR 80724).



Questions



Uses and Terms §103

Eligible Uses (24 CFR 93.200 and 93.201)

- **Acquisition and/or new construction**
 - Used in accordance with 24 CFR Part 93 Subpart E
 - Proposed projects requiring the demolition of existing residential units are eligible only if the number of bedrooms in the new project is at least equal to the total number of bedrooms in the demolished structures.
 - Total amount of NHTF assistance shall not exceed the maximum-per-unit development subsidy amount established by the Department.
 - HHC assistance provided as post-construction, permanent loans with an initial term of 55 years or longer to match the affordability period.



Uses and Terms §103

Eligible Uses (24 CFR 93.200 and 93.201) (continued)

- Project-based operating assistance in the form of a **Capitalized Operating Subsidy Reserve (COSR)**
 - Project's COSR will be for at least **15** years to pay for operating costs receiving capital funding to provide supportive housing to the Target Population.



Uses and Terms §103

Maximum per-unit loan amounts

- Shall not exceed the total eligible costs.
- Capital portion of the loan amount is limited to base amount per Assisted Unit, plus the amount per Assisted Unit required to reduce rents from 30 percent of the 30 percent of AMI level to the actual maximum restricted rent, with loan limits increasing based on the level of affordability provided.
- For loan limit calculations, the Department shall include the number of Assisted Units within a Rental Housing Development and the number of bedrooms per Assisted Unit.
- For Assisted Units receiving rental assistance under renewable rental subsidy contracts, the loan amount will be based on the most restrictive level of income restriction that will apply following the closing of the program loan.



Uses and Terms §103

Maximum per-unit loan amounts (continued)

- Initial base amounts for the portion of the loan that does not include a COSR are set at:
 - \$125,000 per Assisted Unit for projects using 9% tax credits
 - \$175,000 per Assisted Unit for all other projects
 - These amount will be adjusted annually based on increases in the Consumer Price Index.
- The COSR portion of the loan shall be determined pursuant to the requirements of Section 108.



Uses and Terms §103

Property Standards

Recipients shall ensure that:

- All Assisted Units meet all applicable federal and state property standards.
- Compliance with 24 CFR 90.301(a)(1) and (2) maintained for duration of the affordability period of **55** years
 - Except projects developed on Indian Reservation or Native American lands, which will be for at least **50** years.



Loan Terms §104

HHC loans shall have the following terms:

- Bear simple interest at **3%** on the unpaid principal balance
- Interest shall accrue from the date funds are disbursed
- First 30 years of the loan term, annual monitoring fee of **0.42** percent of the outstanding principal loan balance payable to the Department.
- After 30 years, the Department may reset the required payment amount to cover its monitoring costs.
- Except for the required 0.42 percent monitoring fee payment, and if the borrower is not in default, the Department shall permit the deferral of accrued interest for the term of the loan.



Occupancy and Income Requirements §105

- Household income shall be determined in accordance with 24 CFR 93.151.
- Occupancy requirements shall apply for the full term of the regulatory period.



Occupancy and Income Requirements §105

- Recipient shall maintain documentation of tenant-income eligibility meeting the requirements for the Target Population, as applicable:
 - **Documentation of enrollment in or eligibility for Medi-Cal benefits**
 - **Documentation of a person's status as Chronically Homeless could be captured by any of the following:**
 - Entry and exits documented in Homeless Management Information System (HMIS),
 - An outreach worker or case manager's written observation, or
 - Client's self-report of episodes of homeless and disability status in accordance with procedures established through the local Coordinated Entry System (CES) or other procedures established by the County.
 - **Documentation of a person's status as a High-cost health user could be captured through any of the following:**
 - Discharge summaries, or
 - An outreach worker's, case manager's, or local county's health department written observations



Rent Limits §106

- Assisted Unit rent will be restricted in accordance with the NHTF rent and income limits in 24 CFR 93.302.
- Income of each tenant must be determined initially in accordance with 24 CFR 93.151.
 - Reexamination of each tenant's annual income in accordance with one of the options in 24 CFR 93.151(c) selected by the grantee and as identified in the tenant selection plan.
- Over-income tenants. Assisted Units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with 24 CFR Part 93.302(g) until the noncompliance is corrected.



Underwriting Standards §107

The Department shall follow the underwriting requirements of its Uniform Multifamily Regulations (UMRs) commencing with 25 CCR section 8300 and/or federal NHTF regulations, including the following:

- 25 CCR Section 8303 (Site Control Requirements and Scattered Site Projects);
- 24 CFR 93.201(e);
- 25 CCR Section 8309, (Replacement Reserves);
- 25 CCR Section 8310 (Underwriting Standards) and 24 CFR 93.300(b). The more strict requirements shall apply;



Underwriting Standards §107

- 25 CCR Section 8311 (Limits on Development Costs);
 - 25 CCR Section 8312 (Developer Fee);
 - 25 CCR Section 8314 (Use of Operating Cash Flow), and 24 CFR Part 93. The stricter requirements shall apply; and
 - 25 CCR Section 8315 (Subordination Policy).
-
- Where there is a difference between the provisions of the UMRs and these GL, the provisions of these GL shall prevail.



Underwriting Standards §107

- Notwithstanding the above, residential stabilized vacancy rates for Assisted Units shall be assumed to be **10** percent, unless use of a lower or higher rate is required by another funding source, including TCAC, or is supported by compelling market or other evidence.
- In addition to the operating reserve required by 25 CCR 8308, a Sponsor may establish a COSR for the Assisted Units meeting the requirements of the GL.



Questions



Capitalized Operating Subsidy Reserves §108

NHTF grant funds may be used to pay for COSR with the following conditions:

- For projects, not more than 100 percent of the total per-unit amount for capital determined pursuant to Section 103 may be provided per unit for a COSR to address project operating deficits attributable to the Assisted Units.
- The operating reserves shall be sized to cover anticipated operating deficits attributable to the Assisted Units for a minimum of **15** years.
- In determining how to size each project's COSR, the Department shall consider individual project factors such as:
 - Maximum percentage of Assisted Units it will assist;
 - Anticipated project vacancy rates;
 - Anticipated percentage of Assisted Units that will have other operating or rental subsidy;
 - Term of that operating or rental subsidy contract; and
 - Anticipated tenant incomes



Capitalized Operating Subsidy Reserves §108

- For the purpose of establishing the total amount of project COSR, the following standard assumptions will be used:
 - All Assisted Units, other than the proportionate share of the manager's unit, shall be counted in calculating the amount of the operating reserves.
 - An Assisted Unit receiving other rental assistance may receive assistance from the COSR.
 - In projects of **greater than 20 units**, HHC will assist no more than **49** percent of total project units.
 - In projects of **20 units or less**, up to **100** percent of the units may be Assisted Units.
 - The stabilized residential vacancy rate for the Assisted Units shall be assumed to be **10** percent, unless use of a lower or higher rate is required by another funding source, including TCAC, or is supported by compelling market or other evidence.



Capitalized Operating Subsidy Reserves §108

- Notwithstanding the above, in order to sustain the availability of the operating reserves for a minimum of **15** years, distributions from the COSR shall be subject to:
 - The Department may not disburse more than **5** percent of the total COSR to a project per year, except that in any given year where the operating deficit attributable to the Assisted Units exceeds this amount, the Department may, in its sole discretion, increase the disbursement to up to **7** percent of the total COSR, in accordance with the operating reserves limits and applicable review processes;



Capitalized Operating Subsidy Reserves §108

- Asset management and partnership management fees and deferred developer fees shall only be paid in accordance with the requirements of the GL.
- Operating expenses that are eligible to be paid from the COSR include:
 - Insurance
 - Utilities
 - Real property taxes
 - Maintenance
 - Scheduled payments to a reserve for replacement of major systems



Award Limits §109

- The maximum loan limit per Applicant is **\$20,000,000**.
- The limit on the amount that can be used for the COSR will be one third of the total loan amount.
- NHTF funding will be made available to all jurisdictions in California. However, the Department will set-aside at least **20 percent** of the funding for projects located in Rural Areas. In the event no projects target the 20 percent set-aside for projects located in Rural Areas, funds will be distributed according to the distribution methods of 24 CFR 91.320(d) and (k).



Application Process §110

1. The Department shall issue a competitive NOFA for NHTF funding that specifies, among other things, the amount of project funds available, any restrictions on uses of funds, general terms and conditions of funding applications, minimum requirements, timeframe for submittal of applications, application requirements, and rating metrics
2. Application requirements include but are not limited to, the following:
 - Identification of Applicants
 - Information of proposed project
 - Adequate information to determine Applicant's eligibility
 - Adequate information to determine project's eligibility
 - Certification of compliance with federal and state requirements
 - Resolution by the governing board authorizing the application and execution of all documents
 - Adequate information to determine Applicant's experience
 - Site control



Application Process §110

- Compliance with the state's policy on Housing First
 - Project readiness to proceed
 - A supportive services plan, including staff-to-client ratios;
 - Commitment of services funding; and
 - Adequate information to determine project's feasibility
3. Applications shall be on forms made available by the Department.
 4. Applications shall be evaluated for compliance with the minimum requirements set forth in Section 102 and will be rated and ranked in accordance with criteria outlined in Section 111.
 5. If requesting a COSR, the Applicant must comply with the requirements in Section 108.
 6. The Department reserves the right to do the following:
 - Score an application as submitted in the event information is missing from the application; and



Application Process §110

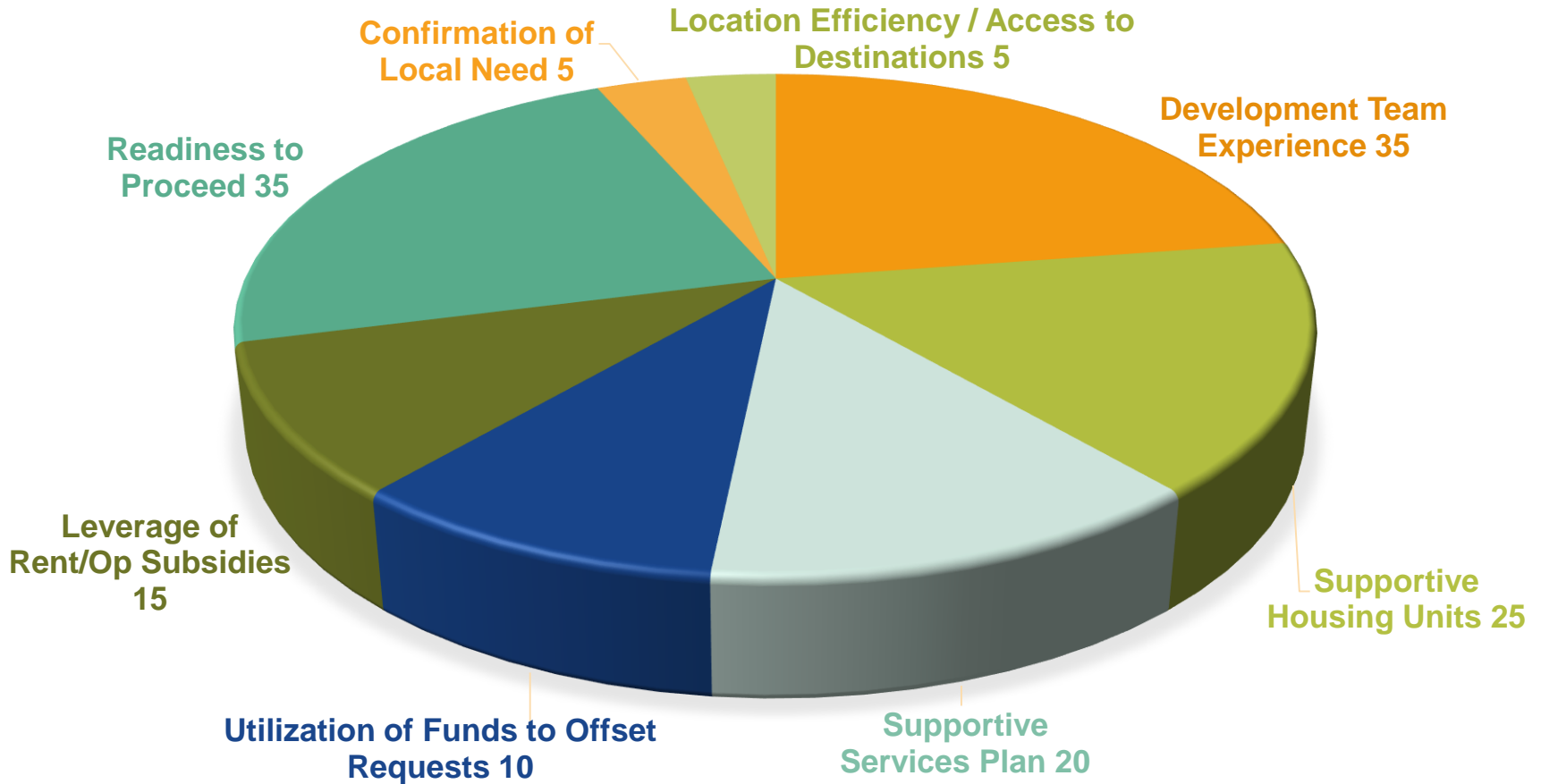
- Request clarification of unclear or ambiguous statements made in an application and other supporting documents when doing so will not impact the competitive scoring of the application; no additional information is introduced into the application documentation.
7. Applications selected for funding shall be approved at amounts, terms, and conditions specified by these Guidelines and NOFA.
 8. Each project must achieve the minimum scores as follows:
 - Development Team Experience: **18**
 - Supportive Services Plan: **5**
 - Readiness to Proceed: **20**



Questions



Application Selection Criteria §111





Application Selection Criteria

§111

In the event of tied point scores, the following tie breakers shall be used to determine which project is selected for funding, in the order listed:

- Readiness to Proceed
- Supportive Services Plan



Application Selection Criteria

§111

1. Development Team Experience

35 points maximum – must meet minimum of 18 points

Project Team Member	Description of Points Awarded	Points
Developer Experience	2 points – for each completed development that was timely and within budget.	10
Ownership and Operations	1/2 point will be awarded for each affordable housing project, and 1 point will be awarded for each supportive housing project.	5
Property Manager	1/2 point will be awarded for each affordable housing development, and 1 point will be awarded for each supportive housing development, up to a maximum of 5 points .	5
	Total Points	20



Application Selection Criteria

§111

Lead Service Provider Experience - 15 points max

Project Team Member- Lead Service Provider	Description of Points Awarded	Points
Permanent Supportive Housing	1 point – 1 to 4 years 2 points – 5 to 9 years 3 points – 10 years or more	3
Projects in Permanent Supportive Housing	1 point – 1 to 3 projects 2 points – 4 to 6 projects 3 points – 7 to 10 projects	3
Serving the Target Population	1 point – 1 to 4 years 2 points – 5 to 9 years 3 points – 10 years or more	3
Comprehensive Case Management	2 points - providing comprehensive case management, where at least 20 percent of the LSP's clients were the Target Population.	2
Partner Agency	2 points – Experience of a partner agency.	2
Documentation	2 points – Documented success in meeting or exceeding specified outcome measures for housing stability under a government contract for at least two years as a Lead Service Provider in permanent Supportive Housing.	2
	Total Points	15



Application Selection Criteria

§111

2. Supportive Housing

25 points maximum

Applications will be scored based on the percentage of Assisted Units restricted as Supportive Housing below. Minimum of **5** percent of Assisted Units must be restricted as Supportive Housing.

Percentage of Assisted Units	Points
5%	5
10%	9
15%	13
20%	17
25%	21
30% or more	25



Application Selection Criteria

§111

3. Supportive Services Plan

20 points maximum – must meet minimum of 5 points

Supportive Services Plan	Description of Points Awarded	Points
Quality and Quantity of Services	1 point – Services provided are of appropriate quantity and quality. 1 point – Staff experience, credentials, and job duties include appropriate skills in cultural competency 2 points – The service delivery model, tailored to homeless people impacted with one or more chronic health or behavioral health conditions.	4
Accessibility of services	2 points –the accessibility of services, whether they are on-site or in close proximity to the project.	2
Housing First	2 points –adherence to Housing First principles in provision of services.	2
Social Interaction	1 point – the degree to which the physical building space supports social interaction, the provision of services and ensures the safety of all residents.	1
Linkage with local systems	3 points – the levels of linkages with local systems for ending homelessness and community-based health care resources for members of the Target Population.	3
Resident Involvement	1 point – Strategies to engage residents to encourage participation in services 1 point – Strategies to engage residents in services planning and operations 1 point – Tenant satisfaction surveys	3
The adequacy of the services budget and the reliability over time of services funding	1 point – The adequacy and accuracy of budgeted income sources and uses and the consistency of these amounts with other sections of the services plan 1 point –The completeness, accuracy, specificity and clarity of the budget document 1 point – The extent to which the major services funding sources have been accessed by the designated service providers or Applicant in the past 1 point –The track record of the Applicant and providers in filling gaps in services funding left by the loss of major funding sources 1 point –The percentage of the total services budget that is committed at time of application	5
Total Points		20



Questions



Application Selection Criteria

§111

4. Utilization of Funds to Offset Requests

10 points maximum

Utilization of Funds to Offset Requests	Description of Points Awarded	Points
Utilizing 9% competitive low-income housing tax credits	0.375 points will be awarded for each full 5 percentage point increment above 50 percent. An application where other funds equal 250 percent of NHTF funds will receive 10 points. <ul style="list-style-type: none">For example, an application proposing other funds equal to 100 % of the NHTF funds, will receive 3.75 points.	OR
NOT utilizing 9% competitive low-income housing tax credits	0.75 points will be awarded for each 5 percentage point increment above 50 percent. An application where other funds equal 150 percent of NHTF funds will receive 10 points. <ul style="list-style-type: none">For example, an application proposing other funds equal to 100 % NHTF funds will receive 7.5 points.	
	Maximum Points	10



Application Selection Criteria

§111

5. Leverage of Rental or Operating Subsidies

15 points maximum

Description of Points Awarded	Points
<p>Applications will be scored based on the percentage of Assisted Units that either:</p> <ul style="list-style-type: none">• Have committed project-based rental or operating subsidies substantially similar in terms to project-based housing choice vouchers to indicate a high likelihood of receiving similar funding for the proposed project; or• Are restricted to rents not exceeding 30 percent of household income, with project feasibility determined based on the assumption that rents will be affordable to tenants of existing projects targeting homeless populations, as specified in the HHC application.• Project-based housing choice vouchers will be deemed committed if they have been allocated to the project and approved by HUD, or if the Department approves other evidence that they will reliably be available (such as a letter from the Housing Authority committing to project-based housing choice vouchers to the project).• 1 point for each 5 percentage point increment.	15



Application Selection Criteria

§111

6. Readiness to Proceed

35 points maximum - must meet minimum of 20 points

Readiness to Proceed	Description of Points Awarded	Points
Enforceable commitments	5 points – Obtained enforceable commitments for all construction financing, not including tax-exempt bonds, low-income housing tax credits, and funding to be provided by another Department program.	5
CEQA, Phase I Environmental Site Assessment	5 points – Completion of <ul style="list-style-type: none"> California Environmental Quality Act (AB-2162) and Phase I Environmental Site Assessment (ESA-ASTM) for projects with NHTF, or Completion of a Phase I Environmental Site Assessment with National Environmental Policy Act 	5
Public Land Use	5 points – Obtained all necessary and discretionary public land use approval (AB-2162).	5
Fee Title Ownership	10 points – has fee title ownership to the site or a long-term leasehold securing the site meeting the criteria for HHC site control; OR demonstrate that the working drawings are at least 50 percent complete, as certified by the project architect	10
Local Design Review Approval	5 points – Obtained local design review approval to the extent such approval is required	5
Deferred Payment Commitment	5 points – Obtained commitments for all deferred-payment financing, grants and subsidies, in accordance with TCAC requirements and with the same exceptions as allowed by TCAC	5
Total Points		35



Application Selection Criteria §111

7. Confirmation of Local Need

5 points maximum

A letter from the local Continuum of Care describing the Target Population to be served by the project and why it will meet a high priority local need.



Application Selection Criteria

§111

8. Location Efficiency and Access to Destinations

5 points maximum

Location Efficiency and Access to Destinations	Description of Points Awarded	Points
Location of a Project from Transportation Services	1 point – Projects located where there is a rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop within 1/3 mile (1 mile for Rural Areas) from the site with service.	1
Location of a Project from existing and operational services	Projects that provide a map highlighting the location of the existing and operational services within 1/2 mile of the project area (two miles for Rural Areas) as follows: 1 point – Grocery store which meets the CalFresh Program requirements; 1 point – Medi-Cal clinic that accepts Medi-Cal payments; 1 point – Public elementary, middle or high school; and 1 point – Licensed child care provider.	4
	Total Points	5

Applicants will be subject to the appeal process as detailed in the NOFA.



Questions



Supportive Services §112

- Each application must include a project-specific supportive services plan. This plan is to be developed by the Lead Service Provider and the property manager and shall include information listed in this section. Recipients must utilize a Lead Service Provider.
- The property management staff and service providers must make participation in supportive services by HHC tenants voluntary. The supportive services plan must describe the services to be made available to HHC tenants in a manner that is;
 - voluntary,
 - flexible and
 - individualized.



Supportive Services §112

- The following supportive services shall be made available to HHC tenants based on tenant need. Except as otherwise noted below, the following **required** services can be provided and easily accessible to tenants:
 - Assistance accessing and linking tenants to Medi-Cal enrollment and enrollment in other benefits the tenant may be eligible for;
 - Case management;
 - Peer support activities;
 - Behavioral health care, such as assessment, crisis counseling, individual and group therapy, and peer support groups;
 - Support in linking to medical care, including access to routine and preventive health and dental care, medication management, and wellness services;
 - Benefits counseling and advocacy, including assistance in accessing SSI/SSP; and
 - Basic housing retention skills.



Supportive Services §112

- The following supportive services are not required to be made available but are **encouraged** to be part of a project's supportive services plan.
 - Services for persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders not listed above;
 - Recreational and social activities;
 - Educational services, including assessment, GED, school enrollment, assistance accessing higher education benefits and grants, and assistance in obtaining reasonable accommodations in the education process;
 - Employment services, such as supported employment, job readiness, job skills training, job placement, and retention services, or programs promoting volunteer opportunities for those unable to work; and
 - Obtaining access to other needed services, such as civil legal services, or access to food and clothing.



Supportive Services §112

- The following additional information shall be provided in the supportive services plan:
 - **Description of the Target Population to be served**, and identification of any additional subpopulation target or occupancy preference. Any additional subpopulation targeting or occupancy preference for HHC project must be approved by the Department prior to construction loan closing and must be consistent with federal and state fair housing requirements;
 - **Description of tenant outreach, engagement, and retention strategies** to be used;
 - **Description of each service to be offered**, how frequently each service will be offered or provided depending on the nature of the service, who is anticipated to be providing the services, the location, and general hours of availability of the services;
 - **For services provided off-site, the plan must describe what public or private transportation options** will be available to HHC tenants in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than ½ mile;



Supportive Services §112

Supportive Services Plan (continued):

- **Description of how the supportive services are culturally and linguistically competent** for persons of different races, ethnicities, sexual orientations, gender identities, and gender expressions;
- **Estimated itemized budget** and sources of funding for services;
- **Description of how the supportive services staff and property management staff will work together to prevent evictions**, to adopt and ensure compliance with harm reduction principles, and to facilitate the implementation of reasonable accommodation policies from rent-up to ongoing operations of the project;
- General service provider and property manager **communication protocols**;
- **Description of how the physical design** of the project fosters tenant engagement, onsite supportive services provision, safety and security, and sustainability of furnishings, equipment, and fixtures; and
- Other information needed by the Department to evaluate the supportive services to be offered consistent with the program.



Supportive Services §112

- Copies of **draft written agreements** or **memoranda of understanding (MOUs)** that identify the roles and responsibilities of the recipient, the project owner, other service providers, and the property manager must be provided. The draft written agreements or MOUs must be materially consistent with the information set forth in the supportive services plan.
- The Department may request that any necessary updates to the supportive services plan or related documents, including fully executed written agreements between the county, service providers, the project owner, and the property manager, be provided prior to the beginning of the initial rent-up period or prior to permanent loan closing.



Housing First §113

- Projects shall (including COSR only units) employ Housing First practices that are documented in the application, property management plan and supportive services plan. Adherence to the Housing First core components pursuant to Welfare and Institutions Code Section 8255(b).



Tenant Selection §114

- Tenants must meet:
 - Income requirements in Section 105; and
 - Target Population requirements in Section 102.
- Recipients shall accept referrals through use of a CES or other similar system in accordance with the provisions of 25 CCR Section 8305 and in compliance with Housing First requirements.



Rental Agreements and Grievance Procedures §115

- Rental or occupancy agreements and grievance procedures for Assisted Units shall comply with 25 CCR Section 8307 and 24 CFR 93.303.
- Tenants shall not be required to:
 - maintain sobriety,
 - be tested for substances, or
 - participate in services or treatment.



Vulnerable Populations Best Practices §116

- The following best practices should be incorporated in the construction of projects that receive funding from HHC as much as possible.
- 1. **General Best Practices for all developments:**
 - A. Safety Features, and
 - B. Property Management
- 2. For those population that have a **history of sexual trauma and/or domestic violence:**
 - A. Safety Features, and
 - B. Property Management
- 3. The project should have 24-hour security and, for projects serving persons impacted by **Domestic Violence, transition age youth and other vulnerable populations.**



Reporting Requirements §117

Recipient **must collect and report data**, as described in Section 53593 of the Health and Safety Code, **to the Department at annual and midyear intervals.**

No later than **90 days** after the end of each project's fiscal year, the Recipient shall submit:

- an **independent audit** of the development prepared by a certified public accountant (2 CFR Part 512).
- **sources of tenant referrals** for the project and submit both client data and performance outcome data to the Department.
- **the number of participants living in the supportive housing project** after 12 months, 24 months, and 36 months, as relevant.
- the number **of participants and the type of interventions** offered through the grant funds.
- the number of **participants who exited the project each year and where they exited to**, including other permanent housing, homelessness, or death.
- **data on the impact of the program on participants'** use of corrections systems and law enforcement resources.



Operating Budgets §118

The Recipient shall submit proposed operating budgets to the Department prior to occupancy and annually thereafter. These budgets shall be subject to Department approval, and comply with the requirements in 25 CCR Section 7326.



Federal Overlays §119

- **Federal Overlays.** Activities funded with HHC funds are required to **comply with 24 CFR Part 93.350.** Compliance with these requirements include, but are not limited to, environmental provisions, federal Davis-Bacon Wage requirements and state prevailing wage laws, relocation, Equal Opportunity and Fair Housing, Affirmative Market, Section 504 and the Americans with Disabilities Act, Section 3 (employment of low-income persons), Violence Against Women Act, and Single Audit report 2 CFR Part 200.512. Failure to comply with federal overlays could result in significant project cost increases, and rejection of the HHC application.
- **State Overlays.** Article XXXIV of the California Constitution requires **local voter approval before any state public body can develop, construct, or acquire a low-rent housing project in any manner.** However, the Public Housing Election Implementation Law (Health & Safety Code, §§ 37000 – 37002) provides clarification as to when Article XXXIV is applicable.



Legal Documents §120

After a recipient is sent a letter providing notice of award pursuant to a Notice of Funding Availability, and prior to actual disbursement of funds pursuant to that award, the Department and recipient shall enter into a state “standard agreement” that shall constitute a conditional commitment of said funds.



Defaults and Loan and/or Grant Cancellations §121

- The Department may cancel loan commitments or COSR grant under any of the following conditions:
 - The objectives and requirements of HHC cannot be met;
 - Implementation of the project cannot proceed in a timely fashion in accordance with the approved plans and schedules;
 - Special conditions have not been fulfilled within required time periods;
 - There has been a material change, not approved by the Department, in the principals or management of the recipient or project, or
 - If the Recipient fails to apply for Tax Credit funding, which they relied on for project feasibility in their application, within 18 months of the HHC award date.
- Upon receipt of a notice from the Department of intent to cancel the loan or request to repay the grant, the recipient shall have the right to appeal to the Director.



Questions



Article II. Building Homes and Jobs Trust Fund Allocation



Minimum Requirements §202

Eligible Applicants

Counties – defined in GL as a county, city and county, or a city collaborating with a county to secure services funding.

The Applicant shall comply with the requirements of HHC and all applicable federal and state laws.



Minimum Requirements §202

- Applicant shall meet all of the following minimum requirements:
 1. Has identified a source of funding for providing intensive services promoting housing stability. Funding for these services may include, but are not limited to, **one or more** of the following:
 - a. County general funds.
 - b. Whole Person Care pilot program funds, to the extent those funds are available or the Whole Person Care program has been renewed.
 - c. The Health Home Program
 - d. MHSA program
 - e. Other county-controlled funding to provide these services to eligible participants.



Minimum Requirements §202

2. Has designated a process for administering grant funds through agencies administering housing programs, if the Applicant is not a county housing agency; and
3. Agrees to collect and report data, as described in the GL.



Minimum Requirements §202

- The Applicant shall submit an application that meets the following requirements:
 1. The request for funding shall promote housing for persons who meet **all of the following** requirements:
 - a. Is chronically homeless or is homeless and a high-cost health user upon initial eligibility;
 - b. Is a Medi-Cal beneficiary;
 - c. Is eligible for Supplemental Security Income;
 - d. Is eligible to receive services under a program providing services promoting housing stability, including but not limited to, the following:
The Whole Person Care (WPC) pilot program; The Health Home Program; a locally controlled service program funding or providing services in supporting housing.
 - e. Is likely to improve his or her health conditions with supportive housing.



Minimum Requirements §202

2. The uses of funds proposed by the Applicant shall be clearly connected to the goals and strategies pursuant to Section 53591(a)(1) of the Health and Safety Code.
3. The amount requested shall not exceed the maximum amount specified in Section 208.
4. The proposed projects shall be financially feasible for the duration of the HHC rental subsidy.
5. A resolution from the county Board of Supervisors, or other controlling body, that authorizes the county to apply for funding and coordinate referrals and access to health care services to HHC tenants, as outlined in the county's Whole Person Care Pilot, Health Homes Program, or other community-based program funding services.

C. County subrecipient(s) of HHC funds cannot be debarred or suspended from any state programs.



Eligible Uses §203

- A county shall use grants awarded pursuant to this part for **any** of the following:
 - Acquisition, new construction, or reconstruction and rehabilitation of (a) project(s), and operating assistance.
- A county's administrative costs, as determined by the department, as referenced in the Notice of Funding Availability (NOFA).



Eligible Uses §203

- Operating assistance may include **either or both** of the following:
 1. Long-term rental assistance to private landlords for periods as referenced in the NOFA, subject to renewal grants.
 2. A capitalized operating reserve for at least **15** years to pay for operating costs of an apartment or apartments receiving capital funding to provide Supportive Housing to the Target Population.



Site and Neighborhood and Property Standard Requirements §204

The Applicant shall ensure that all Assisted Units meet all applicable federal and state property standards. All Assisted Units must also meet the requirements of:

- Section 8304.
- 24 CFR 983.57(e)(2) – exclude rehab projects.
- 24 CFR Part 8.



Occupancy and Income Requirements §205

- Household income shall be determined in accordance with 24 CFR 93.151. At the time of move-in, household income shall not exceed the established extremely low-income (ELI) limits or incomes at or below the poverty line, **whichever is greater**.
- Occupancy requirements shall apply for the full term of the regulatory period.



Occupancy and Income Requirements §205

- Recipient shall maintain documentation of tenant-income eligibility meeting the requirements for the Target Population, as applicable:
 - **Documentation of enrollment in or eligibility for Medi-Cal benefits**
 - **Documentation of a person's status as Chronically Homeless could be captured by any of the following:**
 - Entry and exits documented in Homeless Management Information System (HMIS),
 - An outreach worker or case manager's written observation, or
 - Client's self-report of episodes of homeless and disability status in accordance with procedures established through the local Coordinated Entry System (CES) or other procedures established by the County.
 - **Documentation of a person's status as a High-cost health user could be captured through any of the following:**
 - Discharge summaries, or
 - An outreach worker's, case manager's, or local county's health department written observations



Rent Limits §206

- Assisted Unit rent **shall not** exceed the Fair Market Rent or reasonable market rent as determined by the Department. Tenants must meet the income determination requirements of Section 205, Occupancy and Income Requirements.
- **Over-income tenants** - if at the time of re-certification a tenant household's income exceeds the extremely low-income limit or income at or below the poverty line then the County/subrecipient:
 - Shall re-designate the tenant's Assisted Unit as non-Assisted Unit and designate the next available non-Assisted comparable unit as an Assisted unit until the unit mix required by the Program regulatory agreement is achieved.
 - If all of the Project units are Assisted units, that Project can continue with the over- income unit (s) until such time as those over-income households no longer reside in the Project.
 - A unit shall be deemed “comparable” if it has the same number of bedrooms and reasonably similar square footage as the original unit.



Questions



Capitalized Operating Subsidy Reserves (COSR) §207

- HHC grant funds may be used to pay for a COSR with the following conditions:
 - The COSR shall be sized to cover anticipated operating deficits attributable to the Assisted Units for a minimum of **15** years. The total amount of each project operating reserves will be determined based upon the individual project underwriting performed by the county pursuant to the requirements of these Guidelines.
 - In determining how to size each project's COSR, the County shall consider individual project factors such as: the maximum percentage of Assisted Units it will assist; anticipated project vacancy rates; the anticipated percentage of Assisted Units that will have other operating subsidy and the term of that operating subsidy contract, and anticipated tenant incomes.



Capitalized Operating Subsidy Reserves (COSR) §207

- The following standard assumptions will be used for the purpose of establishing the total amount of COSR. The Department may modify these assumptions as necessary to maintain project feasibility or extend the term of the operating reserves:
 - All Assisted Units, other than the proportionate share of the manager's unit, shall be counted in calculating the amount of COSR. An Assisted Unit receiving other rental assistance may receive assistance from COSR.
 - In projects of **greater than 20 units**, HHC will assist no more than **49** percent of total project units.
 - In projects of **20 units or less**, up to **100** percent of the units may be Assisted Units.
 - The stabilized residential vacancy rate for the Assisted Units shall be assumed to be **10** percent, unless use of a lower or higher rate is required by another funding source, including TCAC, or is supported by compelling market or other evidence.



Capitalized Operating Subsidy Reserves (COSR) §207

- Notwithstanding the above, in order to sustain the availability of COSR for a minimum of **15** years, distributions from COSR shall be subject to the following:
 - The County may not disburse more than **5** percent of the total COSR award made to a project per year, except that in any given year where the operating deficit attributable to the Assisted Units exceeds this amount, the grantee may, in its sole discretion, increase the disbursement to up to **7** percent of the total COSR award, in accordance with the operating reserves limits and applicable review processes.



Capitalized Operating Subsidy Reserves (COSR) §207

- Operating expenses that are eligible to be paid from COSR include:
 - Insurance
 - Utilities
 - Real property taxes
 - Maintenance
 - Supportive Services costs



Maximum Award Limits §208

- The maximum grant limit of **\$20,000,000** for new construction, acquisition, rehabilitation, rental subsidies, and/or COSR per Applicant. The actual award amounts will be adjusted for project size and number of households served.

Fee Limits §209

- A County may use up to **10** percent of the grant, as reflected in the NOFA, to fund administrative costs for the HHC Program.



Use of Operating Cash Flow §210

- Regarding allowable uses of operating cash flow for capital or operating subsidies, including a COSR, the County shall follow underwriting requirements commencing with 25 CCR Section 8314 as applicable.
- Where there is a difference between the provisions of the UMRs and these Guidelines, the provisions of these Guidelines shall prevail.



Questions



County Application Plan §211

- Any plan that meets the following requirements is acceptable, including but not limited to Continuum of Care Plans, or any other county plan specific to homelessness. Applicant's proposed uses of funds should be clearly connected to the goals and strategies outlined in the plan.
- Applicants should include in their application plan the following:
 - A description of homelessness County-wide, including a discussion of the estimated number of residents experiencing homelessness or chronic homelessness among single adults, families, and unaccompanied youth;
 - Special challenges or barriers to serving the Target Population;
 - County resources applied to address homelessness, including efforts undertaken to prevent the criminalization of activities associated with homelessness;



County Application Plan §211

- Available community-based resources;
- Identify other partners tasked with addressing homeless needs;
- Systems in place to collect the data required under Section 219, Reporting Requirements.
- Efforts that will be undertaken to ensure that access to CES, and any alternate assessment and referral system established for the Target Population pursuant to the requirements of these Guidelines, will be available on a nondiscriminatory basis.
- Alternative definition of High-cost health users may be permitted with written approval by the Department prior to application.



Application Process §212

- The Department shall issue a NOFA that details the application process for Applicants that specifies, among other things, the amount of funds available, application requirements, minimum requirements, award requirements, the allocation of rating points, the deadline for submittal of applications, and other general terms and conditions of funding commitments.
- The Department shall evaluate applications for compliance with the minimum requirements set forth in Section 202, and score based on the criteria outlined in Section 213.
- Applicants that do not meet the minimum requirements will be rejected and will not be rated.



Application Process §212

- The Department reserves the right to do the following:
 1. Score an application as submitted in the event information is missing from the application; **and**
 2. Request clarification of unclear or ambiguous statements made in an application and other supporting documents where doing so will not impact the competitive scoring of the application.
- Applications selected for funding shall be approved at amounts, terms, and conditions specified by the Guidelines and NOFA.

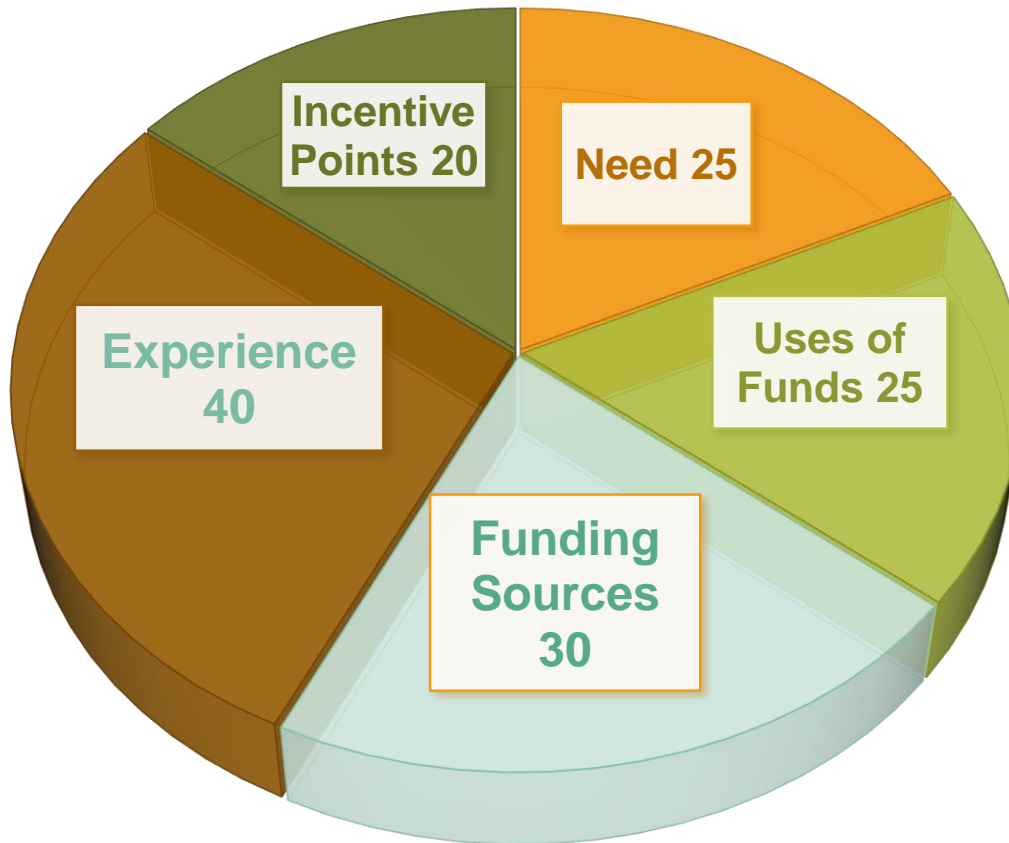


Questions



Application Selection Criteria §213

The criteria summarized below shall be used to rate applications.





Application Selection Criteria §213

1. Need

25 points maximum

Need	Description	Points
Estimated Need	<ul style="list-style-type: none">• 10 points – More than 400 homeless individuals in the Applicant's geographic jurisdiction, or• 5 points – More than half of the population in the Applicant's geographic jurisdiction pay more than 50% of their income towards rent.	10
Commitment to Address the needs	<ul style="list-style-type: none">• 15 points – Applicant has demonstrated successful outcome in implementing homelessness programs (federal, state and local).	15
	Total Points	25



Application Selection Criteria §213

2. Proposed Uses and Process for Using Funds

25 points maximum

Uses of Funds	Description	Points
Project(s) Description	<p>5 points – Applicant’s description of the specific uses of the grant funds, if known at time of application.</p> <ul style="list-style-type: none"> • Project(s)’ location and target date(s) for completion (new construction or rehabilitation) • Project(s)’ total number of units and the total number of households who will receive permanent housing and/or rental subsidies under the Program 	5
Process for Using Grant Funds	<p>10 points – Applicant’s description of the following:</p> <ul style="list-style-type: none"> • Describe the distribution of the HHC grant funds and the proposed selection criteria and process to identify project(s) and/or sub-recipient(s). • Provide timeline with clearly delineated milestones. • Provide the proposed funding source for the services. 	10
Funding Coordination	<p>10 points – Description of how the proposed HHC funding will supplement existing federal, state, and local funding.</p>	10
	Total Points	25



Application Selection Criteria §213

3. Experience 40 points maximum

The Applicant's experience, for the last three years, in funding and underwriting supportive housing projects; **and/or** the Applicant's experience administering supportive housing projects; **and/or** the Applicant's experience working with agencies that administer rental subsidies (**15** points maximum).

Use of Funding for Development or COSR		Use of Funding for Rental Assistance	
Developed or Administered Number of Projects in the last <u>3 years</u>	Points Earned	Number of Households the administering agency has administered rental subsidies for in the last <u>3 years</u>	Points Earned
4 or more projects	15	500	15
2-3 projects	10	300	10
1 project	5	100	5



Application Selection Criteria §213

Experience (continued)

- The Applicant's development funding, rental assistance, or other operating assistance **to the Target Population (15 points maximum)**.

Use of Funding for Development or COSR		Use of Funding for Rental Assistance	
Developed or Administered Number of Projects in the last <u>3 years</u>	Points Earned	Number of Clients the administering agency has administered rental subsidies for in the last <u>3 years</u>	Points Earned
4 or more projects	15	500	15
2-3 projects	10	300	10
1 project	5	100	5



Application Selection Criteria §213

Experience (continued)

- Description of barrier(s) the Applicant encountered in the implementation of its homeless strategy or funding and how it/they was/were resolved. (**5** points)
- Description of any best practices developed by the Applicant that could be used for other program participants. (**5** points)



Questions



Application Selection Criteria §213

4. Funding Sources

30 points maximum

Funding Sources	Description	Points
Description of the Methodology	10 points –The methodology ensures Program’s financial feasibility and process for securing resources required to address any financial gap	10
Description of the Plan	20 points – The Applicant’s plan will describe how the Applicant will provide ongoing funding for the rental subsidies, capital, or operating costs it intends to fund to sustain the Program. The Applicant may commit to using funding from the Affordable Homes & Jobs Act allocations to score points in this category	20
	Total Points	30



Application Selection Criteria §213

5. Incentive Points

20 points maximum

Incentive Points	Description	Points
Whole Person Care Pilot Program	10 points –The Applicant has a Whole Person Care Pilot Program, or is working with managed care organizations to make available Health Home Program benefits to people experiencing homelessness.	10
Locally Committed Funding Program	10 points – Evidence demonstrating locally committed funding program for projects in an amount at least equivalent to requested HHC funding.	10
	Total Points	20

In the event of tied point scores, the following tie breakers shall be used to determine which project is selected for funding, in the order listed:

1. Applicant relevant experience
2. Need
3. Application Plan



Supportive Services §214

- Each application must include a County-specific supportive services plan that will identify how the county plans to provide or subcontract supportive services to participants in the Program.
- The County must ensure services are provided to participants, but that participants are not required to participate in services. Access to or continued occupancy in housing cannot be conditioned on participation in services or on sobriety. The supportive services plan must describe the services to be made available to HHC tenants in a manner that is;
 - voluntary,
 - flexible
 - and individualized.



Supportive Services §214

- Using evidence-based models, the following supportive services shall be made available to HHC tenants based on tenant need. Except as otherwise noted below, the following **required** services can be provided and easily accessible to tenants:
 - Housing navigation to assist people experiencing homelessness to establish relationships with private landlords, if the County is using funding for rental assistance, and to apply for housing;
 - Case management and tenancy support services;
 - Peer support activities;
 - Services to link participants, as needed, to behavioral health care, such as assessment, crisis counseling, individual and group therapy, and peer support groups and to coordinate care;
 - Services to link participants, as needed, to substance abuse disorder treatment;
 - Support in linking to medical care and dental care, including access to routine and preventive care, medication management, and wellness services;
 - Benefits advocacy, including assistance or linkage to services in accessing Medi-Cal and SSI/SSP; and
 - Housing retention skills



Supportive Services §214

- The following supportive services are not required to be made available but are **encouraged** to be part of an Applicant's plan to provide supportive services to participants:
 - Services for persons with co-occurring mental and physical disabilities or co- occurring mental and substance use disorders not listed above;
 - Recreational and social activities;
 - Educational services;
 - Employment services; and
 - Obtaining access to other needed services, such as civil legal services, or access to food and clothing.



Supportive Services §214

- The following additional information shall be provided in the Applicant's plan to provide supportive services:
 - For services provided off-site, the plan must describe what public or private transportation options will be available to HHC tenants in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than ½ mile. Case management services should largely be provided on-site;
 - Description of how the supportive services staff and property management staff or landlord will work together to prevent evictions, to adopt and ensure compliance with harm reduction principles, and to facilitate the implementation of reasonable accommodation policies from rent-up to ongoing operations of the project;
 - Proposed provider-to-client staff ratio;
 - Other information needed by the Department to evaluate the supportive services to be offered consistent with the program, as specified in the NOFA.



Supportive Services §214

- The Department may request that any necessary updates to the plan to provide supportive services or related documents, including fully executed written agreements between the county, service providers, the project owner(s), if relevant, and the property manager, if relevant, be provided prior to the beginning of the initial rent-up period or prior to permanent loan closing, or after participants move into private-market apartments.



Housing First §215

- Projects shall employ Housing First practices that are documented in the Applicant's plan to provide supportive services of the application. Adherence to the Housing First core components pursuant to Welfare and Institutions Code Section 8255(b).
- Subsidy-only units shall follow Housing First property management and services practices described above or implement modified Housing First practices.



Tenant Selection §216

- Tenants must meet income requirements in Section 205, Occupancy and Income Requirements and Target Population requirements in Section 202, Minimum Requirements.
- Recipients shall accept referrals through use of a CES or other similar system in accordance with the provisions of 25 CCR Section 8305 and in compliance with Housing First requirements consistent with the core components set forth in Welfare and Institutions Code Division 8 Chapter 6.5 Section 8255 subsection (b), and basic tenant protections established under federal, state, and local law.



Rental Agreements and Grievance Procedures §217

- Rental or occupancy agreements and grievance procedures for Assisted Units shall comply with 25 CCR Section 8307 and 24 CFR 93.303. Tenants shall not be required to maintain sobriety, be tested for substances, or participate in services or treatment.



Vulnerable Populations Best Practices §218

- The following best practices should be incorporated in the construction of projects that receive funding from HHC as much as possible.
 1. **General Best Practices for all developments:**
 - A. Safety Features, and
 - B. Property Management
 2. For those population that have a **history of sexual trauma and/or domestic violence:**
 - A. Safety Features, and
 - B. Property Management
 3. The project should have 24-hour security and, for projects serving persons impacted by **Domestic Violence, transition age youth and other vulnerable populations.**



Reporting Requirements §219

- The County shall, at **annual and midyear intervals**, report all of the following data to the Department:
 - Not later than **90 days** after the end of each project's fiscal year, the County shall obtain and submit to the Department an independent audit of the development prepared by a certified public accountant and in accordance with the Department's current audit requirements.
 - The County shall submit the data as required by the Department to measure the costs and outcomes for each of its Assisted Units. The County shall work with service providers or other sub-recipients to gather the data.
 - The County shall report on the sources of tenant referrals for the project(s) and submit both client data and performance outcome data to the Department. Client data may include demographic characteristics of the family.



Reporting Requirements §219

- The County shall also report on the following:
 - The number of participants who have received assistance through the Program in that year, and the type of intervention the participant received with HHC funds;
 - The number of participants living in supportive housing or other permanent housing with HHC funds. Exits from the program and the reasons for the exits;
 - To the extent available and feasible, county shall provide data on the impact of the program on participants' use of corrections systems and law enforcement resources.



Operating Budgets §220

- The county shall submit proposed operating budgets to the Department prior to award and annually thereafter. These budgets shall be subject to Department approval and comply with the requirements in 25 CCR Section 7326.



Federal and State Overlays §221

- **Federal Overlays.** Activities funded with HHC funds are required to comply with 24 CFR Part 93.350. Compliance with these requirements include, but are not limited to, the National Environmental Policy Act (NEPA), federal Davis-Bacon Wage requirements and state prevailing wage laws, Relocation, Equal Opportunity and Fair Housing, Affirmative Market, Section 504 and the Americans with Disabilities Act, Section 3 (employment of low-income persons), and Single Audit report 2 CFR Part 200.512. Failure to comply with federal overlays could result in significant project cost increases, and rejection of the HHC application.
- **State Overlays.** Article XXXIV of the California Constitution requires local voter approval before any state public body can develop, construct, or acquire a low-rent housing project in any manner. However, the Public Housing Election Implementation Law (Health & Safety. Code, §§ 37000 – 37002) provides clarification as to when Article XXXIV is applicable.



Legal Documents §222

- Grants shall be governed by a standard agreement or other agreement with the County on a form prescribed by the Department. The agreement shall ensure that the provisions of these Guidelines are applicable to the project(s) covered by the agreement and enforceable by the Department. The agreement will contain such other provisions as the Department determines are necessary to meet the requirements and goals of the program.



Defaults and Grants Cancellations §223

- In the event the Department becomes aware of breach or violation by the grantee or its participating entities engaged in the delivery of HHC any of the provision of HHC–SB2 requirements or standard agreement, or the locally executed HHC loan or grant pertaining to the project, the Department may give written notice to violators to cure the breach or violation within a period of not less than 15 days.
- If the breach or violation is not cured to the satisfaction of the Department within the specified time period, the Department, at its option, may declare a default under the relevant document(s) and may seek legal remedies for the default including the following:
 - Full or partial repayment of the awarded amount.
 - May suspend violators from future HCD funding awards.
 - The Department may seek such other remedies as may be available under the relevant agreement or any law.



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The screenshot shows the top portion of the HCD website. At the top right are links for CONTACT, ABOUT, JOBS, and NEWSROOM. The main header features the CA.GOV logo, the HCD logo, and the text "California Department of Housing and Community Development". Below this is a navigation bar with icons and links for: Home, Grants & Funding, Manufactured & Mobilehomes, Building Standards, Planning & Community Development, and Policy & Research. To the right of the navigation bar are language selection options: "Select Language" and "Powered by Google Translate". Below the navigation bar is a banner with three circular images: a red bus, a small house, and a person working in a field. At the bottom of the banner, the text "IMPROVING LIVES & COMMUNITIES ACROSS CALIFORNIA" is displayed. To the right of this text are three contact options: "Contact" (with a phone icon), "Email Sign up" (with an envelope icon and circled in red), and "Questions, Comments, Feedback" (with a speech bubble icon). A large red arrow points from the text "IMPROVING LIVES & COMMUNITIES ACROSS CALIFORNIA" towards the "Email Sign up" link.

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IMPROVING LIVES & COMMUNITIES ACROSS CALIFORNIA

Contact
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HHC Program information:

<http://www.hcd.ca.gov/grants-funding/active-funding/HousingforHealthyCA.shtml>

For more information
email us at:

HousingforHealthyCA@hcd.ca.gov

- California Department of Housing and Community Development
- 2020 West El Camino Avenue
- Sacramento, CA. 95833

